

## Message Text

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PAGE 01 STATE 137935  
ORIGIN EB-07

INFO OCT-01 EUR-12 EA-09 ISO-00 L-03 SIG-02 FTC-01  
OPIC-06 /041 R

DRAFTED BY EB/IFD/BP:TASCHLENKER:VJW  
APPROVED BY EB/IFD/BP:HJWINTER  
L/EB - SBENSON (SUBS)  
EA/ANP - TWADJA (SUBS)

-----150506Z 072221 /14

R 142137Z JUN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY CANBERRA  
INFO AMCONSUL BRISBANE  
AMCONSUL MELBOURNE  
AMCONSUL PERTH  
AMCONSUL SYDNEY  
AMEMBASSY PARIS

UNCLAS STATE 137935

USOECD

E.O. 11652: N/A

TAGS: ETRD, OECD

SUBJECT: ANTITRUST: FTC SEEKS INJUNCTION AGAINST  
LAND COMPANY AND APPROVED PEABODY DIVESTITURE

1. FEDERAL TRADE COMMISSION (FTC) ASKED A FEDERAL COURT  
TO ENJOIN THREE FIRMS FROM ENGAGING IN ALLEGED UNFAIR OR  
DECEPTIVE ACTS OR PRACTICES IN CONNECTION WITH SALE OF  
QUOTE WHAT THE EVIDENCE INDICATES ARE ESSENTIALLY WORTH-  
LESS INTERESTS IN UNMARKETABLE LAND UNQUOTE IN WESTERN  
AUSTRALIA. THE INJUNCTION IS AGAINST AUSTRALIAN LAND  
TITLE, LTD., LOS ANGELES; GROWTH INTERNATIONAL REALTY,  
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INC., HONOLULU; AND MORLAN INTERNATIONAL, PHILADELPHIA.  
AUSTRALIAN LAND TITLE IS A WHOLLY-OWNED SUBSIDIARY OF  
MORLAN; AND GROWTH INTERNATIONAL WAS AUSTRALIAN LAND  
TITLE'S SALES AGENT. THE LATTER IS ALLEGED TO HAVE SOLD  
UNDIVIDED INTERESTS IN APPROXIMATELY 30 PARCELS OF LAND  
IN WESTERN AUSTRALIA. MORE THAN 4,000 SALES WERE MADE  
UNDER INSTALLMENT CONTRACTS AND OVER 5.5 MILLION DOLLARS

REMAINS TO BE PAID ON CONTRACTS.

2. THE LAND IN AUSTRALIA WAS SOLD IN JOINT TENANCY. THE FTC CONTENDS THAT THE COMPANY FAILED TO DISCLOSE (1) THE LEGAL CONSEQUENCES OF OWNERSHIP OF THIS LAND BY LARGE NUMBERS OF TENANTS IN COMMON, (2) THAT OFFERS TO PURCHASE THE LAND WOULD NOT BE TRANSMITTED TO THE PURCHASERS, AND (3) THE EXISTENCE OF MORTGAGES WHICH ENCUMBERED THE LAND THE TIME IT WAS SOLD AND VARIOUS ADVERTISING MISREPRESENTATIONS.

3. IN A SEPARATE ACTION, THE FTC UNANIMOUSLY APPROVED AN APPLICATION BY KENNECOTT COPPER CORPORATION OF NEW YORK CITY TO DIVEST PEABODY COAL COMPANY AND SIMULTANEOUSLY SELL PEABODY'S AUSTRALIAN ASSETS TO DAMPIER MINING COMPANY, A WHOLLY-OWNED SUBSIDIARY OF THE BROKEN HILL PROPRIETARY CO., LTD.

4. THE AUSTRALIAN EMBASSY IN WASHINGTON HAS BEEN IN CONSULTATION WITH THE FTC ABOUT THESE ACTIONS AND PRESUMABLY HAS INFORMED CANBERRA. THE FOREGOING IS ONLY FOR THE POSTS' INFORMATION. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LITIGATION, LAND, FRAUDS  
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**Subject:** ANTITRUST: FTC SEEKS INJUNCTION AGAINST LAND COMPANY AND APPROVED PEABODY DIVESTITURE  
**TAGS:** ETRD, AS, OECD, FTC, AUSTRALIAN LAND TITLE LTD, GROWTH INTERNATIONAL REALTY INC, MORLAN INTERNATIONAL  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009